

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re)	
)	Chapter 9
)	
CITY OF DETROIT, MICHIGAN,)	Case No. 13-53846
)	
Debtor.)	Hon. Steven W. Rhodes
)	

**STIPULATION FOR AN ORDER RESOLVING MOTION OF
SYNCORA GUARANTEE INC. AND SYNCORA CAPITAL ASSURANCE
INC. TO ENFORCE THE SOLICITATION PROCEDURES ORDER**

The City of Detroit, as debtor (the “City”), and Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively, “Syncora”), by and through their undersigned counsel, stipulate to the entry of the order attached hereto as Exhibit 1 resolving the *Motion of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. to Enforce the Solicitation Procedures Order* [Docket No. 5444].

Agreed to this 11th day of July, 2014:

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**ORDER RESOLVING MOTION OF
SYNCORA GUARANTEE INC. AND SYNCORA CAPITAL ASSURANCE
INC. TO ENFORCE THE SOLICITATION PROCEDURES ORDER**

This matter coming before the Court on the *Stipulation for an Order Resolving Motion of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. to Enforce the Solicitation Procedures Order* [Docket No. ____] by and among the City of Detroit, Michigan, as debtor (the “City”), and Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively, “Syncora”); on June 18, 2014, Syncora having filed the *Motion of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. to Enforce the Solicitation Procedures Order* [Docket No. 5444] (the “Motion”) requesting entry of an order enforcing the Solicitation Procedures Order¹ against the City by requiring the City to provide Syncora with (a) Class 14 Ballots so that Syncora may vote its asserted Claims for fraud and fraudulent

¹ Capitalized terms not otherwise defined herein have the meanings given to them in the Fourth Amended Plan for the Adjustments of Debts of the City of Detroit [Docket No. 4392] (as it may be amended or supplemented, the “Plan”) and the accompanying Disclosure Statement [Docket No. 4391].

inducement, unjust enrichment and restitution, abuse of process and fees and expenses (collectively, the “Asserted Class 14 Claims”) and (b) an additional Class 9 Ballot so that Syncora may vote its asserted additional Class 9 Claims for paid interest and breach of contract (collectively, the “Additional Class 9 Claims” and, together with the Asserted Class 14 Claims, the “Syncora Claims”);² on July 2, 2014, the City having filed an objection to the Motion [Docket No. 5747] (the “Objection”); on July 9, 2014, Syncora having filed a reply in support of the Motion [Docket No. 5895] (the “Reply”); and the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2);

NOW, THEREFORE, IT IS HEREBY ORDERED, as follows:

1. The Motion, the Objection and the Reply are RESOLVED on the terms set forth herein.
2. Syncora shall be permitted to vote its Asserted Class 14 Claims in the following amounts: (a) its fraud and fraudulent inducement Claim in the amount of \$1.00; (b) its unjust enrichment and restitution Claim in the amount of \$1.00; (c) its abuse of process Claim in the amount of \$1.00; and (d) its fees and expenses

² The Syncora Claims are asserted as part of proof of claim numbers 1352 and 1354.

Claim in the amount of \$2,786,402.00.³ In tabulating votes, the Claims and Balloting Agent shall count Syncora's votes in Class 14 for the Asserted Class 14 Claims as (a) a single vote in the amount of \$2,786,404.00 on account of proof of claim number 1354 and (b) a single vote in the amount of \$1.00 on account of proof of claim number 1352.

3. Syncora shall be permitted to vote its Additional Class 9 Claims in the following amounts: (a) its paid interest claim in the amount of \$1,649,691.49; and (b) its breach of contract claim in the amount of \$1.00.⁴

4. The amounts set forth in paragraphs 2 and 3 above on account of the Syncora Claims are allowed solely for purposes of voting to accept or reject the Plan and not for distribution, allowance or for any other purpose. Nothing contained in this Stipulation shall be construed as an admission or a determination with respect to the amount or validity of the Syncora Claims or the proper classification of the Syncora Claims under the Plan.

5. The City preserves all rights to file with the Court any objection(s) to the Syncora Claims or any other Claims asserted by Syncora.

³ The City previously provided Syncora with provisional Class 14 Ballots to vote the Asserted Class 14 Claims.

⁴ The City previously provided Syncora with additional provisional Class 9 Ballots to vote the Additional Class 9 Claims.

6. Without limiting the reservation of the City's and Syncora's rights as to amount, validity and classification of the Syncora Claims set forth in paragraph 4 above, Syncora preserves all rights to object to Confirmation of the Plan as a Class 9 claimant and as a Class 14 claimant.

7. No amendment to the Plan or objection to any Claim shall modify Syncora's right to vote the Syncora Claims in Class 9 and in Class 14 as set forth herein. No objection to any COP Claim or any Claim of Syncora (including any request to disallow any such Claim) shall affect Syncora's right to object to the Plan at or in connection with the Confirmation Hearing.

8. Syncora and the City shall take no action inconsistent with the terms herein.

9. Except to the extent expressly set forth herein, nothing in this Order shall be deemed to modify the Solicitation Procedures Order.

CERTIFICATE OF SERVICE

I, Heather Lennox, hereby certify that the foregoing Stipulation for an Order Resolving Motion of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. to Enforce the Solicitation Procedures Order was filed and served via the Court's electronic case filing and noticing system on this 11th day of July, 2014.

/s/ Heather Lennox